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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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1. The food supply situation has continued to be difficult after the currency reform in Czechoslovakia.¹ The most serious shortages occur in fats, fresh meat, flour, sugar, vegetables, and fruit. In June 1953 customers could receive only 500 grams (1 lb. 1½ oz.) of sugar and 2 kilograms (4 lbs. 6½ oz.) of flour per person per day in the same shop, regardless of the number of family members. Because of the fresh meat shortage, food and meat stores offered three to four year old canned meat of Czech and Polish origin in comparatively large quantities. These preserves, however, were of poor quality, the contents often being spoiled, or, at least, the can metal having oxidized inside. People were observed to line up in front of stores again, not only in Prague, but also in smaller towns such as Decin (N51/F56). On the other hand, bread and pastry were available in sufficient quantities and satisfactory assortments.
2. Textile goods are on sale in sufficient quantities and their quality is comparatively good. People explain this fact by saying that the goods now offered for sale had originally been earmarked for export.²
3. The prices which were fixed by governmental decree after the currency reform are in many cases not adhered to. The rise in prices is being concealed by the practice of introducing different prices for allegedly different qualities. This, there are two sorts of lard on sale, one being priced Kcs. 24,³ the other Kcs. 36 per kilogram. If a customer wanted to buy the 24-Kcs. lard, the salesman in the shop would merely say that it had been "sold out" and that only the "better" quality was available for the time. A set of furniture, officially priced at Kcs. 3,400 is not to be had now for less than Kcs. 7,000.
4. Meals served in restaurants and factory messes are rather sufficient in quantity but of extremely poor quality. Only artificial fat is used in their preparation and this on a tiny scale only; meat is almost always taken from the above mentioned inferior preserves.

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 this year's harvest of cereals, potatoes, and fodder plants will probably be satisfactory. The outlook for sugar beets and hops, however, is not very promising and in some places is even bad.⁴
6. The Darex⁵ store in Prague was still observed in operation on 27 June 1953.
7. A new State Catalog of Wages (Státní katalog mzdový), valid as of 1 June 1953, was published in the second half of June. It fixed wages and salaries of workers and employees in terms of the new currency. Following are examples of wages and salaries paid by the Czechoslovak Elbe-Oder Navigation Company:

Barge captain	1,000 to 1,200 Kcs. per month
Qualified special personnel (machinist, helmsman, etc.)	750 Kcs. per month
Qualified worker or sailor	600 Kcs. per month
Dock worker, unqualified sailor	350 Kcs. per month
Female cashier	350 Kcs. per month ⁶

All these figures give net basic pays, not including extras for overtime work or Sunday shifts.

8. The issuance of the Catalog caused great dissatisfaction among workers and officials. The goods on sale after the abolition of the rationing system are far too expensive compared with the small earnings. The dissatisfaction resulted in strikes and passive resistance. Thus, on 10 June 1953, the workers of the Decin Machinery Works (Děčinské strojírny) were on a one-day strike which passed rather quietly. The dock workers of the Elbe-Oder Navigation Company in Decin refused to attend Sunday or holiday shifts or to work overtime.
9. There is no confidence in the new currency among the population. It is generally criticized that the new banknotes do not bear the signature of any government official so that they cannot have much value.⁷

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1. Comment: One of the main topics of official propaganda after the currency reform and the abolition of rationing was that these two measures would bring forth a great relief in the supply situation.
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2. Comment: The true reason for the appearance of higher-quality goods on the home market is more probably the regime's desire to give people the impression of a real improvement in order to justify the currency reform. This is not the first instance of a sudden appearance of shortage items on the market for mere propaganda purposes.
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3. Comment: Apparently a typing mistake in the original report. The prices of the two types of lard are, according to governmental decree published in Rudé právo of 6 June 1953, Kcs. 34 and Kcs. 36, respectively.
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4. Comment: It is believed that these observations are limited to northern Bohemia and the environment of Prague.
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5. Comment: Darex, the state-operated shop where shortage items were on sale for gold or foreign currency, was scheduled to be closed after the currency reform.
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6. Comment: A monthly net salary of 350 Kcs. would buy the following quantities of goods respectively (according to lists of prices published in Rudé právo of 1 to 6 June 1953):

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Bread	125.00 kg @ Kcs 2.80, i.e. 275 $\frac{1}{2}$ lbs.
Flour, cheapest sort	70.00 kg @ Kcs 5.00, i.e. 155 $\frac{1}{2}$ lbs.
Sugar	25.00 kg @ Kcs 14.00, i.e. 55 lbs. 2 ozs.
Milk, cheapest sort	175.00 l @ Kcs 2.00, i.e. 46 $\frac{1}{2}$ gallons
Eggs	24 $\frac{1}{2}$ doz. @ Kcs 14.40
Lard, cheapest sort	10.30 kg @ Kcs 34.00, i.e. 22 lbs, 11 ozs.
Bacon	9.72 kg @ Kcs 36.00, i.e. 21 lbs. 10 ozs.
Pork	13.35 kg @ Kcs 26.60, i.e. 36 lbs. 6 ozs.
Sausages, cheapest sort	15.21 kg @ Kcs 23.00, i.e. 33 lbs. 1 ozs.
Ham, with bone	7.77 kg @ Kcs 45.00, i.e. 17 lbs. 3 ozs.
Butter, cheapest sort	8.75 kg @ Kcs 40.00, i.e. 19 lbs. 4 $\frac{1}{2}$ ozs.

According to the new official exchange rate of 1:7.2, 350 Kcs. are equal to \$48.61.

- 25X1A 7. Comment: This is surely not the main reason for the people's lack of confidence. Two previous drastic currency reforms and the experience with the perfidy of the present regime are certainly a more decisive factor.

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